IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.377 OF 1998

The Commissioner of Income-tax,
Bombay City - I, Bombay .. Applicant.
V/s.
M/s.Harshadroy P. Ltd. .. Respondent.

Mr.A.S. Rao for the applicant.

CORAM : V.C. DAGA &
J.P. DEVADHAR, JJ.

DATED : 11TH OCTOBER, 2005.

P.C. :

1. Heard the learned counsel for the applicant. The Tribunal has referred the question for the opinion of this Court reading as under :-

> Whether in the facts and in the circumstances of the case, the Tribunal was right in law in holding that the disallowances out of expenditure incurred on payment of salary and perquisites to employee-director should be made u/s.40(c) of the Income-tax Act and not u/s.40A(5) of the Act ?

2. The above question has already been answered by the Division Bench of this Court in the case of **CIT V/s. Hico Products Pvt.Ltd. (No.1) [(1993) 201 I.T.R. 567 (Bom)]** in favour of the assessee and against the revenue. In this view of the matter, question stands answered in affirmative for the reasons stated in the case of Hico Products (P) Ltd. Reference, accordingly stands disposed of with no order as to costs.

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